

Department of Legislative Services
Maryland General Assembly
2025 Session

FISCAL AND POLICY NOTE
Third Reader - Revised

House Bill 859

(Delegate Solomon, *et al.*)Health and Government Operations and
Ways and Means

Budget and Taxation and Finance

Access to Health Insurance for Child Care Professionals - Outreach

This bill requires the Maryland Health Benefit Exchange (MHBE) to promote access to health insurance for child care professionals by (1) partnering with the Maryland State Department of Education (MSDE), prekindergarten provider hubs, child care associations, and relevant nonprofit organizations; (2) helping child care professionals obtain health insurance through MHBE or Medicaid; (3) assisting child care professionals who lose Medicaid coverage with finding alternative health insurance options; (4) helping ensure health plan options meet the budgets and health insurance needs of child care professionals and child care employers; (5) providing informational resources; and (6) assessing current levels of health care access across the child care community by conducting a survey developed in consultation with MSDE and relevant nonprofit organizations and with a particular emphasis on providers who accept child care scholarship (CCS) vouchers.

Fiscal Summary

State Effect: Special fund expenditures for the Department of Commerce increase by \$250,000, and special fund revenues and expenditures for MHBE increase by \$250,000 in FY 2026 only, reflecting contingent language in the FY 2026 budget as passed by the General Assembly (discussed below). MSDE can partner with MHBE using existing resources. Any ongoing expenses for MHBE can be absorbed within existing resources.

(in dollars)	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
SF Revenue	\$250,000	\$0	\$0	\$0	\$0
SF Expenditure	\$500,000	\$0	\$0	\$0	\$0
Net Effect	(\$250,000)	\$0	\$0	\$0	\$0

Note: () = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate increase; (-) = indeterminate decrease

Local Effect: None.

Small Business Effect: Minimal.

Analysis

Current Law:

Maryland Health Benefit Exchange

MHBE was created during the 2011 session to provide a marketplace for individuals and small businesses to purchase affordable health coverage. Through the Maryland Health Connection, Maryland residents can shop for health insurance plans, compare rates, and determine their eligibility for federal advanced premium tax credits and Medicaid.

Child Care

“Prekindergarten provider hub” means a coordinated partnership between eligible prekindergarten providers and other entities established by MSDE.

The State oversees a variety of early education services that are provided to Maryland children and their families in cooperation with local governments, local school systems, and private child care providers.

The CCS Program (formerly known as the Child Care Subsidy Program) provides financial assistance with child care costs to low-income families that meet applicable State or federal requirements. The program is funded through a combination of State funds and the federal Child Care and Development Block Grant. All participating parents or guardians must meet a variety of technical requirements and must be working or enrolled in school, a training program, or a work-related activity.

Child Care Capital Support Revolving Loan Fund

Chapter 466 of 2022 established the Child Care Capital Support Revolving Loan Fund to provide no-interest loans for capital expenses to child care providers who participate in the CCS Program. The fund is a special, nonlapsing fund administered by Commerce, with support from MSDE. Allowable expenses for the loans include acquisition, expansion, renovations, and new construction related to a child care facility.

State Expenditures:

Estimated Cost for the Maryland Health Benefit Exchange

Under the bill, MHBE must promote access to health insurance for child care professionals, help child care professionals obtain health insurance, assist child care professionals who lose Medicaid coverage find alternative coverage, help ensure health plan options meet the

budgets and health insurance needs of child care professionals and employers, provide informational resources, and assess current levels of health care access across the child care community by conducting a specified survey. To complete these requirements, MHBE advises that it will prepare and conduct a targeted outreach campaign to help child care workers enroll in health insurance and conduct a survey of the landscape and availability of health insurance among child care providers at an estimated total cost of \$250,000 in fiscal 2026 only. Work will be completed by existing MHBE staff in coordination with statewide [Connector Entity](#) partners. This estimate includes the cost of conducting the outreach campaign and survey, as well as associated printing, mailing, and communications costs.

Funding Included in the Fiscal 2026 Budget

The fiscal 2026 budget as passed by the General Assembly authorizes \$250,000 in special funds from Commerce's Child Care Capital Support Revolving Loan Fund to be transferred by budget amendment to MHBE. Funds may be used only to conduct a targeted outreach campaign to help child care workers enroll in health insurance and a survey of the landscape and availability of health insurance among child care providers. The transfer is contingent on the enactment of House Bill 859 or Senate Bill 611 promoting access to health insurance for child care professionals. Funds not expended for this purpose must be canceled.

As the bill effectuates this contingency, Commerce special fund expenditures increase by \$250,000 in fiscal 2026 to transfer funds to MHBE, while MHBE special fund revenues and expenditures increase by \$250,000 in fiscal 2026 to reflect receipt of the transfer and associated spending to complete the required outreach campaign and survey. Any funds not expended for the outreach campaign or survey must be canceled and revert to Commerce's Child Care Capital Support Revolving Loan Fund.

Additional Comments: Although not specified in the bill, the fiscal 2026 budget as passed by the General Assembly requires MHBE to submit a report to the budget committees on the survey findings by January 1, 2026.

Additional Information

Recent Prior Introductions: Similar legislation has not been introduced within the last three years.

Designated Cross File: SB 611 (Senator King) - Budget and Taxation and Finance.

Information Source(s): Maryland State Department of Education; Department of Budget and Management; Maryland Health Benefit Exchange; Department of Legislative Services

Fiscal Note History: First Reader - February 19, 2025
km/ljm Third Reader - March 26, 2025
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